

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
SEARS HOLDINGS CORPORATION, <i>et al.</i> , ¹)	Case No. 18-23538 (RDD)
)	
Debtors.)	(Jointly Administered)
)	

**MONTHLY FEE STATEMENT OF PRIME CLERK LLC, AS
ADMINISTRATIVE AGENT TO THE DEBTORS, FOR THE
PERIOD FROM APRIL 1, 2019 THROUGH APRIL 30, 2019**

By this monthly fee statement (the “**Statement**”), pursuant to sections 327, 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 2016-1 of the Local Rules of the United States Bankruptcy Court for the Southern District of New York (the “**Local Bankruptcy Rules**”), Prime Clerk LLC (“**Prime Clerk**”), administrative agent to the above captioned debtors and debtors in possession (collectively, the “**Debtors**”), hereby seeks compensation and reimbursement for reasonable and necessary fees and expenses incurred for the period from April

¹The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); SHC Licensed Business LLC (3718); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); SHC Promotions LLC (9626); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1, 2019 through April 30, 2019 (the “**Statement Period**”). In accordance with the *Order Authorizing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [Docket No. 796] (the “**Compensation Order**”), Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in an amount equal to \$2,223.55 and payment of \$1,778.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in an amount equal to \$0.00. In support of the Statement, Prime Clerk respectfully represents as follows:

Name of Professional:	Prime Clerk LLC
Authorized to Provide Administrative Agent Services to:	Debtors and Debtors in Possession
Date of Retention:	November 19, 2018 <i>nunc pro tunc</i> to October 15, 2018
Period for which compensation and reimbursement is sought:	April 1, 2019 through April 30, 2019
Amount of compensation sought as actual, reasonable and necessary:	\$2,223.55 ²
80% of compensation sought as actual, reasonable and necessary:	\$1,778.84
Amount of expense reimbursement sought as actual, reasonable and necessary	\$0.00

² In accordance with the Compensation Order, at the expiration of the Objection Deadline (as defined in the Compensation Order), the Debtors are authorized to promptly pay 80% of the fees and 100% of the expenses identified in the Statement to which no Objection (as defined in the Compensation Order) has been served.

Prior Monthly Statements

Date Filed; Docket No.	Period Covered	Requested		Approved		Holdback (20%)
		Fees	Expenses	Fees	Expenses	
4/15/19; Docket No. 3193	10/15/18 – 11/30/18; 2/1/19 – 3/31/19	\$6,493.55 (payment of 80% or \$5,194.84)	\$0.00	\$5,194.84 (80% of \$6,493.55)	\$0.00	\$1,298.71

Prior Interim Applications

Date Filed; Docket No.	Period Covered	Requested		Approved	
		Fees	Expenses	Fees	Expenses
4/15/19; Docket No. 3196	10/15/18 – 2/28/19	\$981.75	\$0.00	\$981.75	\$0.00
Total		\$ 981.75	\$0.00	\$ 981.75	\$0.00

Summary of Hours Billed by Prime Clerk Employees During the Statement Period

Employee Name	Title	Total Hours	Rate	Total
Johnson, Craig	Director of Solicitation	0.40	\$240.00	\$96.00
Pullo, Christina	Director of Solicitation	0.50	\$240.00	\$120.00
Adler, Adam M	Director	0.30	\$220.00	\$66.00
Jaffar, Amrita C	Director	0.50	\$220.00	\$110.00
Weiner, Shira D	Director	2.20	\$220.00	\$484.00
Brown, Mark M	Solicitation Consultant	1.00	\$215.00	\$215.00
Kesler, Stanislav	Solicitation Consultant	2.80	\$215.00	\$602.00
Labissiere, Pierre	Solicitation Consultant	1.00	\$215.00	\$215.00
Liu, Calvin L	Solicitation Consultant	1.20	\$215.00	\$258.00
Loneragan, Senan L	Solicitation Consultant	2.90	\$215.00	\$623.50
Orchowski, Alex T	Solicitation Consultant	1.80	\$215.00	\$387.00
	TOTAL	14.60		\$3,176.50³
	BLENDED RATE		\$217.57	

³ This amount has been discounted to \$2,223.55 in accordance with the terms of Prime Clerk's retention. Taking into account this discount, the blended hourly rate is \$152.30.

Summary of Fees Billed by Subject Matter During the Statement Period

Matter Description	Total Hours	Total
Call Center / Credit Inquiry	6.50	\$1,397.50
Disbursements	1.10	\$236.50
Retention / Fee Application	3.00	\$660.00
Solicitation	4.00	\$882.50
TOTAL	14.60	\$3,176.50⁴

Summary of Expenses Incurred by Prime Clerk Employee During the Statement Period

Description	Total
N/A	N/A
TOTAL	N/A

[Remainder of page intentionally left blank]

⁴ This amount has been discounted to \$2,223.55 in accordance with the terms of Prime Clerk's retention.

Jurisdiction

1. The United States Bankruptcy Court for the Southern District of New York (the “**Court**”) has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the Amended Standing Order of Reference of the United States District Court for the Southern District of New York, dated January 31, 2012 (Preska, C.J.). This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409. The predicates for the relief requested herein are sections 327, 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016 and the Local Bankruptcy Rules.

Background

2. On October 15, 2018 (the “**Commencement Date**”), each of the Debtors filed a voluntary petition with the Court under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On October 16, 2018, this Court entered an order jointly administering these chapter 11 cases pursuant to Bankruptcy Rule 1015(b). An official committee of unsecured creditors was appointed in these chapter 11 cases on October 24, 2018. On January 3, 2019, the United States Trustee for the Southern District of New York filed a motion requesting the appointment of an independent fee examiner [Docket No. 1470], which motion is still pending before the Court.

Retention of Prime Clerk

3. On November 19, 2018, the Court entered the *Order Pursuant to 11 U.S.C. § 327(a), Bankruptcy Rules 2014(a) and 2016(a), and Local Rules 2014-1 and 2016-1 Authorizing Retention and Employment of Prime Clerk LLC as Administrative Agent for the Debtors Nunc Pro Tunc to the Commencement Date* [Docket No. 812], which authorized the Debtors to employ and

retain Prime Clerk as administrative agent *nunc pro tunc* to the Commencement Date in these chapter 11 cases.

Relief Requested

4. Prime Clerk submits this Statement in accordance with the Compensation Order. All services for which Prime Clerk requests compensation were performed for, or on behalf of, the Debtors.

5. Prime Clerk seeks (i) allowance of reasonable and necessary fees incurred during the Statement Period in the total amount of \$2,223.55 and payment of \$1,778.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

6. Prime Clerk maintains computerized records of the time spent by employees of Prime Clerk in connection with its role as administrative agent to the Debtors. In that regard, **Exhibit A**: (i) identifies the employee that rendered services in each task category; (ii) describes each service such employee performed; (iii) sets forth the number of hours in increments of one-tenth of an hour spent by each individual providing services; and (iv) as applicable, sets forth the type of expenses incurred. **Exhibit B** hereto sets forth the type of expenses incurred by each Prime Clerk employee during the Statement Period, if any. In addition, Prime Clerk's hourly rates are set at a level designed to fairly compensate Prime Clerk for the work of its employees and cover routine overhead expenses. Hourly rates vary with the experience and seniority of the individuals assigned and are subject to periodic adjustments to reflect economic and other conditions.

7. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount of fees requested is fair and reasonable given: (a) the complexity of these cases, (b) the time expended, (c) the rates charged for such services, (d) the nature and extent of the services

rendered, (e) the value of such services and (f) the costs of comparable services other than in a case under this title.

Notice

8. Pursuant to the Compensation Order, this Statement will be served upon the Notice Parties (as defined in the Compensation Order). Prime Clerk submits, in light of the relief requested, no other or further notice is necessary.

Conclusion

9. WHEREFORE, pursuant to the Compensation Order, Prime Clerk respectfully requests (i) allowance of reasonable and necessary fees for the Statement Period in the total amount of \$2,223.55 and payment of \$1,778.84, which represents 80% of the total amount, and (ii) reimbursement of actual, reasonable and necessary expenses incurred during the Statement Period in the amount of \$0.00.

Dated: May 23, 2019
New York, New York

Prime Clerk LLC

/s/ Shira D. Weiner
Shira D. Weiner
General Counsel
One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165
Telephone: (212) 257-5450
Email: sweiner@primeclerk.com

Administrative Agent to the Debtors

Exhibit A

Fee Detail



One Grand Central Place
60 East 42nd Street, Suite 1440
New York, NY 10165

primeclerk.com

Hourly Fees by Employee through April 2019

<u>Initial</u>	<u>Employee Name</u>	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
MMB	Brown, Mark M	SA - Solicitation Consultant	1.00	\$215.00	\$215.00
STK	Kesler, Stanislav	SA - Solicitation Consultant	2.80	\$215.00	\$602.00
PL	Labissiere, Pierre	SA - Solicitation Consultant	1.00	\$215.00	\$215.00
CLL	Liu, Calvin L	SA - Solicitation Consultant	1.20	\$215.00	\$258.00
SLL	Lonergan, Senan L	SA - Solicitation Consultant	2.90	\$215.00	\$623.50
ATO	Orchowski, Alex T	SA - Solicitation Consultant	1.80	\$215.00	\$387.00
AMA	Adler, Adam M	DI - Director	0.30	\$220.00	\$66.00
ACJ	Jaffar, Amrita C	DI - Director	0.50	\$220.00	\$110.00
SW	Weiner, Shira D	DI - Director	2.20	\$220.00	\$484.00
CJ	Johnson, Craig	DS - Director of Solicitation	0.40	\$240.00	\$96.00
CP	Pullo, Christina	DS - Director of Solicitation	0.50	\$240.00	\$120.00
TOTAL:			14.60		\$3,176.50

Hourly Fees by Task Code through April 2019

<u>Task Code</u>	<u>Task Code Description</u>	<u>Hours</u>	<u>Total</u>
DISB	Disbursements	1.10	\$236.50
INQR	Call Center / Credit Inquiry	6.50	\$1,397.50
RETN	Retention / Fee Application	3.00	\$660.00
SOLI	Solicitation	4.00	\$882.50
TOTAL:		14.60	\$3,176.50

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Invoice #: 9613

Time Detail

<u>Date</u>	<u>Emp</u>	<u>Title</u>	<u>Description</u>	<u>Task</u>	<u>Hours</u>
04/02/19	PL	SA	Review and respond to inquiry from Phil DiDonato at Weil related to the upcoming solicitation	Solicitation	0.40
04/08/19	SLL	SA	Respond to creditor inquiries regarding CUSIPs included in solicitation	Call Center / Credit Inquiry	0.50
04/09/19	CJ	DS	Prepare for, participate in, and conduct follow-up on communications with P. DiDonato at WGM on timing and details of solicitation	Solicitation	0.40
04/09/19	CP	DS	Coordinate with Prime Clerk case team regarding solicitation status update	Solicitation	0.10
04/12/19	CLL	SA	Review and analyze solicitation materials and procedures to be implemented in upcoming solicitation	Solicitation	1.20
04/12/19	MMB	SA	Confer and coordinate with case team (P Labissiere) re upcoming solicitation and quality assurance review of notice of disclosure statement hearing	Solicitation	0.60
04/12/19	MMB	SA	Review correspondence with case team (R Stitt, C Pullo, P Labissiere), and Debtors' counsel (P DiDonato at Weil, Gotshal) related to notice of disclosure statement hearing	Solicitation	0.40
04/12/19	SW	DI	Draft combined monthly fee statement	Retention / Fee Application	1.00
04/12/19	SW	DI	Draft first interim fee application	Retention / Fee Application	1.20
04/15/19	ACJ	DI	Review and file monthly fee statement and interim fee application	Retention / Fee Application	0.50
04/15/19	AMA	DI	Review and revise interim fee application	Retention / Fee Application	0.30
04/15/19	CP	DS	Coordinate with P. Labissiere (Prime Clerk) regarding ballot comments	Solicitation	0.20
04/17/19	ATO	SA	Confer and coordinate with case team re solicitation	Solicitation	0.30
04/17/19	ATO	SA	Review and respond to inquiries from Phil DiDonato at Weil Gotshal related to distributions	Disbursements	1.10
04/17/19	CP	DS	Coordinate with P. Labissiere regarding ballot cusip issues and creditor solicitation-related information request from Weil	Solicitation	0.20
04/22/19	ATO	SA	Respond to nominee inquiries related to solicitation	Call Center / Credit Inquiry	0.20
04/23/19	ATO	SA	Update solicitation task tracker in preparation for solicitation team meeting	Solicitation	0.10
04/23/19	PL	SA	Respond to creditor inquiries related to the upcoming solicitation	Call Center / Credit Inquiry	0.60
04/23/19	SLL	SA	Respond to creditor inquiries related to upcoming disclosure statement hearing	Call Center / Credit Inquiry	0.80

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Invoice #: 9613

04/24/19	ATO	SA	Discuss upcoming solicitation in solicitation team meeting	Solicitation	0.10
04/24/19	SLL	SA	Respond to creditor inquiries related to upcoming disclosure statement hearing	Call Center / Credit Inquiry	0.50
04/25/19	SLL	SA	Respond to creditor inquiries related to upcoming disclosure statement hearing	Call Center / Credit Inquiry	0.60
04/25/19	STK	SA	Respond to creditor and nominee inquiries related to solicitation	Call Center / Credit Inquiry	0.40
04/26/19	STK	SA	Respond to creditor and nominee inquiries related to solicitation	Call Center / Credit Inquiry	0.60
04/29/19	STK	SA	Respond to creditor and nominee inquiries related to solicitation	Call Center / Credit Inquiry	1.00
04/30/19	SLL	SA	Respond to creditor inquiries related to upcoming disclosure statement hearing	Call Center / Credit Inquiry	0.50
04/30/19	STK	SA	Respond to creditor and nominee inquiries related to solicitation	Call Center / Credit Inquiry	0.80
Total Hours					14.60

Exhibit B

Detail of Expenses Incurred by Prime Clerk Employees During the Statement Period

None.